have been supported for doing work in Genetic Engineering. Funds can also be provided *to* other medical and engineering colleges if their research programmes in Genetic Engineering are found to be suitable.

(e) Does not arise.

Narora Atomic Power Project

1385. SHRI SURENDRA SINGH THAKUR; Will the PRIME MINISTER be pleased to state:

(a) what is the original and the revised cost of units I and II of Narora Atomic Power Project;

(b) what is the original and revised date of commissioning of the project;

(c) whether this project is likely to be commissioned within the stipulated time; **and**

(d) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT ATOMIC ENERGY ELECTRONICS AND SPACE (SHRIKR. NARAYANAN): (a) The original cost of the project was Rs. 209.89 crores and the revised sanctioned cost is Rs. 399.64 crores.

(b) The project originally expected to be completed in 1981-82 is now scheduled for completion in the latter half of 1989.

(c) and (d) Various constraints such as local opposition to acquisition of land for the project, design changes necessitated by the seismicity of **the** region, delays in delivery of **major** equipment, have since been overcome. The impact of delays has been reduced by rescheduling downstream activities and the project is now expected to be completed as indicated above.

Income Tax on Interests

1386. SHRI CHIMANBHAI MEHTA:
SHRI SAGAR RAYKA:

Will the PRIME MINISTER be-pleased to state:

(a) whether it is a fact that as per the prevailing Income Tax A"t" no-receipt of interest is Free from income tax;

(b) whether under any provision the interest income is exempt from Income Tax; if so, the section under which it is exempt;

(c) the details of provisions of the present Act under which the Government Corporations including the Railways issued the "Tax-free" bonds; and

(d) the 'reasons for which such a proposal was cleared?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) No, Sir.

(b) Yes, Sir, under Section 10(15) of the Income-tax Act, 1961.

(c) The Finance Bill, 1987 seeks to insert a new item (h) in Section 10(15) (iv) of the Income-tax Act, 1961 providing for exemption of interest on any such tax-free public sector bond as the Central Government may by Notification in the Official Gazette specify in this behalf.

(d) The proposal for making pro vision for "Tax-free" bonds was ac cepted with a view to tapping rural savings and mobilising resources for public sector, particularly in impor tant infrastructural areas such as power telecommunication and rail ways.